

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 10 1200 Sixth Avenue Seattle, WA 98101

June 22, 2006

Reply To
Attn Of: AWT-107

Toni Hardesty, Director Idaho Department of Environmental Quality 1410 N. Hilton Boise, ID 83706

Dear Toni:

This letter is in response to your question regarding the requirements for State plans under EPA's Clean Air Mercury Rule (CAMR), specifically whether the State can initially opt out of the cap-and-trade program (meet its budget with a plan that does not allow sources to participate in the trading program) and later decide to opt into the trading program (revise its State plan to allow for trading). Since the CAMR is implemented through State-specific plans, there is no restriction on how a State could revise its plan in the future, provided its plan continues to ensure compliance with its budget and otherwise complies with CAMR. Of course, there would be some transition issues that the State would need to address to ensure that both sources and EPA (as the trading program manager) would be prepared to shift to a new program, but we do not see any insurmountable issues with respect to such a transition. Please note that we have verified this with the Clean Air Markets Division at EPA headquarters.

I hope that this response adequately answers this question. If you have any other questions on CAMR or the requirements for State plans please do not hesitate to contact me or David Bray, my Special Assistant, at (206) 553-4253.

Richard Albright, Director

Office of Air, Waste and Toxics